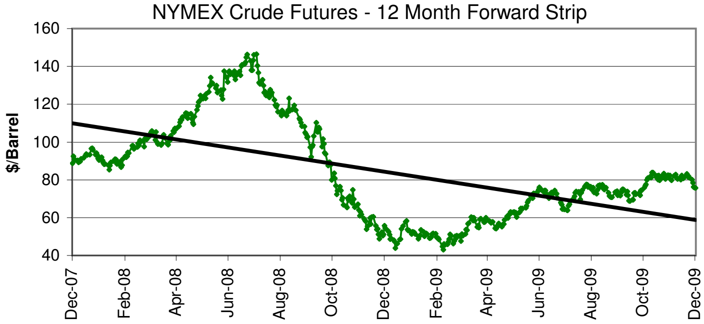
COMPETITIVE ENERGY SERVICES
MARKET SUMMARY

VIII - Issue 50 **WEEK ENDING 12/11/09**

Oil Market

Crude Oil

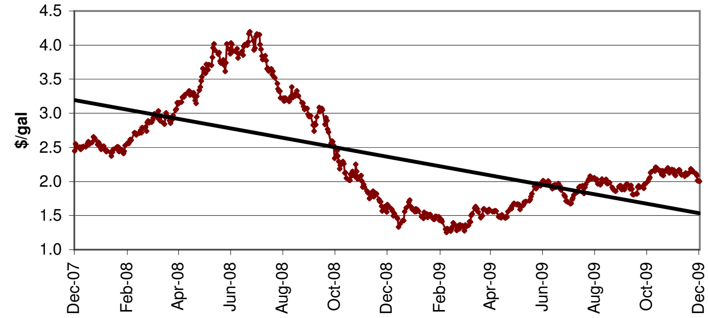
NYMEX Crude Futures - 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, $/bbl	$75.70	$81.12	$146.44	$43.06
date	12/11/09	12/4/09	7/14/08	2/18/09
change from last close		-6.7%	-48%	76%

STORAGE (in million bbls)	crude oil
domestic stocks as of 12/4/2009	336.1
gain / loss from previous week	-3.8
comparison to historic range	above

NYMEX #2 Heating Oil Futures - 12 Month Forward Strip

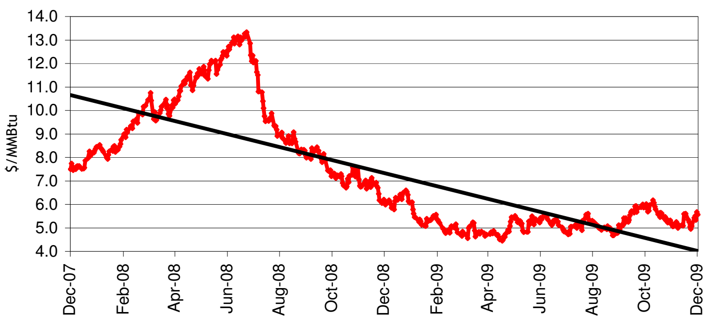


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, $/gal	$2.00	$2.14	$4.19	$1.25
date	12/11/09	12/4/09	7/3/08	2/18/09
change from last close		-6%	-52%	60%

STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of 12/4/2009	167.3	61.4	216.3
gain / loss from previous week	1.6	-1.3	2.2
comparison to historic range	above	within	above

Natural Gas Market

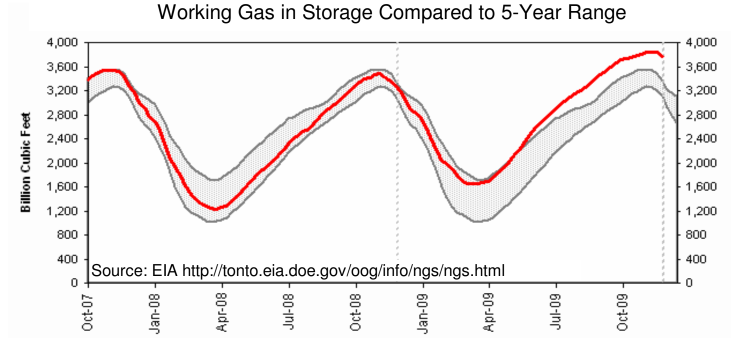
NYMEX Henry Hub Futures: 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, $/MMBTu	$5.57	$5.07	$13.33	$4.45
date	12/11/09	12/4/09	7/3/08	4/27/09
change from last close		10%	-58%	25%

Forward Strips	18 month	24 month	36 month	48 month
$/MMBtu	$5.86	$6.03	$6.27	$6.41

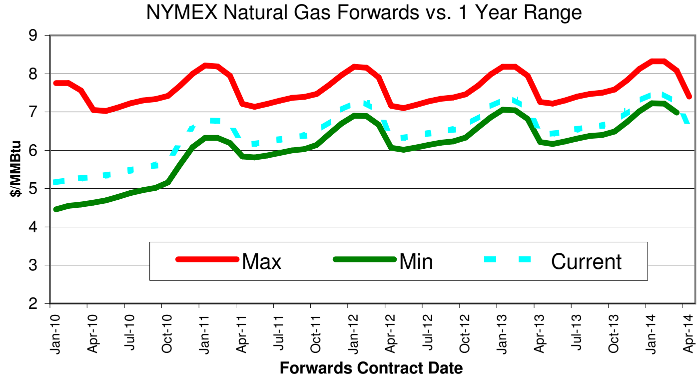
Working Gas in Storage Compared to 5-Year Range



This chart shows the amount of natural gas in storage at each point in time (red line) compared to the highest and lowest amounts over the past 5 years.

The EIA (Energy Information Administration) reported that natural gas in storage was 3,773 Bcf as of Friday, December 4th. This implies a net weekly withdrawal of 64 Bcf, compared to a five-year average withdrawal of 90 Bcf and last year's withdrawal of 60 Bcf for the same report week. Gas in storage was about 14% above last year's level and 16% above the 5-year average.

NYMEX Natural Gas Forwards vs. 1 Year Range



Natural gas futures are useful to monitor for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets including New England, Texas and, to a lesser extent, New York and the Mid-Atlantic. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices for the same month over the past 12 months.

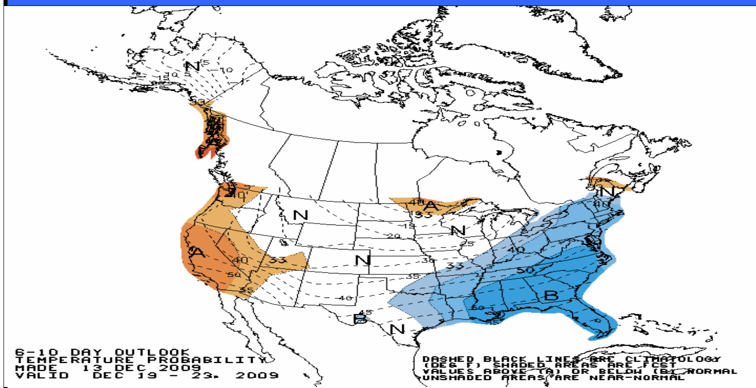
Forwards	Score
12 Month	75
24 Month	75
36 Month	74

The Score provides a measure of how current prices compare to the historic range. A score close to 0 indicates that current prices are close to their historic highs; a score close to 100 indicates that current prices are close to their historic lows.

MARKET SUMMARY

WEEK ENDING 12/11/09

Weather Forecast



For the period December 19 - 23, 2009

This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase the price for natural gas, oil, and electricity.

Source: Chart from the National Weather Service Climate Prediction Center www.cpc.ncep.noaa.gov

Market Assessment

Crude oil and heating oil fell each day last week, ending the week with eight consecutive days of losses. Federal Reserve Chairman Ben Bernanke tempered market optimism early in the week, warning that the recovery may be slow as the labor market is still shedding jobs and lenders are tight with credit. Without a reversal in these two factors, fuel demand is unlikely to rebound. On Wednesday the EIA released its weekly crude oil storage report, which showed decreases in crude oil and propane stocks. Although crude oil inventories were projected to increase, the usual market reaction to the unexpected drop in inventories was offset by unexpected gains in gasoline and distillate stocks. U.S. refineries were operating at 81 percent capacity last week, up 1.4% from the previous week. In addition, OPEC compliance with official production cuts is down to 58% for November due to non-compliance by Nigeria and Angola. By Friday, the prompt month contract closed below the $70 mark.

The December crude oil contract expired on November 20th at $76.72 per barrel; January 2010 is the current prompt month. Crude oil for the 12 months starting January 2010 fell an average of 6.7% last week on the NYMEX. The January 2010 contract fell 7% and ended the week at $69.87 per barrel, the lowest priced crude oil futures contract with delivery in next 12 months. The most expensive contract in the next 12 months was December 2010 at $79.23 per barrel. NYMEX heating oil futures contracts for delivery in the next 12 months starting January 2010 fell 6% on average. The December 2009 contract expired on November 30th at $2.02 per gallon. The January 2010 contract closed the week at $1.91 per gallon and was the cheapest contract for delivery in the next twelve months. The open winter months (January-March 2010) averaged $1.93 per gallon on Friday, and the most expensive contract in the next 12 months was December 2010 at $2.12 per gallon.

Natural gas prices jumped last week, reversing the losses from the previous week. A cold forecast for the Northeast and Midwest bolstered prices early in the week. Some of these gains were erased on Wednesday, but prices jumped to an eleven-month high on Thursday as the EIA finally reported the first weekly net withdrawal from storage of this heating season, which officially began November 1. Thursday set a record high of 408,214 for the number of natural gas futures contracts traded on the NYMEX. On Friday, natural gas prices fell after MDA Federal Inc., a geospatial services firm, projected above-normal temperatures for January in the Northeast and Midwest.

The December 2009 natural gas contract expired on November 24th at $4.49 per MMBTU on the NYMEX. Natural gas contracts for the next 12 months starting January 2010 rose 10% on average between Friday, December 11th, and the previous Friday. The January 2010 contract ended the week at $5.16 per MMBtu, the lowest priced contract with delivery in next 12 months. The active heating season contracts (Jan-Mar) closed at an average price of $5.22 per MMBtu. The December 2010 contract ended last week at $6.54 per MMBtu and was the highest priced contract with delivery in next 12 months.

The National Weather Service forecasts warmer than normal temperatures for the West, while the East is expected to be colder than normal (see chart above). Although our market score (see first page) declined significantly last week, clients with electricity or natural gas contracts expiring in 2010 or 2011 should still consider locking in some portion of their energy budgets. Please consult with your CES representative for customized guidance on executing a forward energy market hedge, as hedging decisions are very dependent on unique budgetary circumstances and goals.

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